

MARCH 2003 HIGHLIGHTS

March is a breakout month for New Jersey's construction industry. After the winter thaw, activity usually picks up. This was the case for March 2003. The estimated cost of construction authorized by building permits was \$869.5 million -- 50.4 percent more than last month, when estimated construction costs for February totaled only \$578.2 million. Last month was unusually cold and wet. Residential construction accounted for 50.6 percent of all the work authorized by permit. Nonresidential activity amounted to 49.4 percent; 517 municipalities reported.

Top Towns

Two Middlesex County localities had the most work in March. The City of New Brunswick was the top performer with estimated construction costs at \$53.9 million. Nearly all of this work was for a new child health research facility. Woodbridge Township had \$24.9 million. Two large retail complexes that will be part of the Woodbridge Center Mall accounted for most of the work.

Other localities with more than \$20 million of construction in March were the City of Hoboken in Hudson County (\$22.9 million), Franklin Lakes Borough in Bergen County (\$21.9 million), the Town of Hackettstown in Warren County (\$20.8 million), and the City of Newark in Essex County (\$20.7 million). Most of the work in Hoboken was for housing; the City had 142 authorized units in March, ranking second among all localities. The big development in Franklin Lakes was an addition to Ramapo High School with an estimated cost of \$20.7 million. Most of the work in Hackettstown was for the Good Shepard nursing home. Residential construction accounted for most of the work in Newark. The City had 213 authorized units in March, top among all localities. Included in this amount were 63 apartments that will be created from the renovation of an old office building. Since January, Newark has issued building permits for 381, top among all localities.

Year-to-Date

Three of four major construction indicators in the *CONSTRUCTION REPORTER* are down compared to this time last year. Between January and March 2003, the estimated cost of construction authorized by building permits was \$2.3 billion. This is \$236 million less than the first quarter of 2002, a decline of 9.4 percent. Authorized housing in the first quarter of 2003 is down by 7.2 percent compared to this time last year. New office space is down by 8.4 percent. Only new retail space increased this year compared to the first quarter of 2002.

Major Construction Indicators, New Jersey: Three-Month Comparison				
Period	Estimated Cost of Construction	Authorized Housing Units	Authorized Office Space (square feet)	Authorized Retail Space (square feet)
January – March 1997	\$1,649,138,064	5,277	1,526,311	1,055,458
January – March 1998	\$1,716,887,428	6,558	1,269,552	2,202,661
January – March 1999	\$2,283,352,111	7,193	2,128,718	1,404,109
January – March 2000	\$2,287,380,131	8,692	3,174,775	648,189
January – March 2001	\$1,963,628,519	7,649	4,270,828	1,520,020
January – March 2002	\$2,527,131,060	6,948	1,755,610	879,075
January – March 2003	\$2,290,325,619	6,448	1,607,895	1,688,879
<i>Difference Between 2002 and 2003</i>				
2002-2003	(\$236,805,441)	(500)	(147,715)	809,804
Percent Change	-9.4%	-7.2%	-8.4%	92.1%
Source: N.J. Department of Community Affairs, 5/7/03				

New House Prices

Just over 4,000 new houses began enrollment in a new home warranty program between January 1, 2003 and March 31, 2003. The median sale price of these houses was \$290,900. This was 2.9 percent more than the median sales price for new houses that began enrollment in the fourth quarter of 2002. Hunterdon County had the highest priced; half of the 78 new houses that started enrollment in a warranty program in the first quarter of 2003 cost more than \$525,102. Cumberland County had the lowest median sales price at \$109,900. The inventory of new homes in the warranty program includes most new dwellings in New Jersey with the exception of apartments and for-sale housing, where homeowners built their own houses.

New House Prices			
Period	Number of New Houses	Median Sales Price	Percent Change in Sales Price
1996	20,903	\$183,300	
1997	21,640	\$190,000	3.7%
1998	23,884	\$209,980	10.5%
1999	24,479	\$224,496	6.9%
2000	25,058	\$231,728	3.2%
2001	23,372	\$253,670	9.5%
2002	23,647	\$274,705	8.3%
1 st Quarter 2002	5,645	\$259,900	
2 nd Quarter 2002	6,381	\$274,612	5.7%
3 rd Quarter 2002	5,894	\$279,900	1.9%
4 th Quarter 2002	5,737	\$282,500	0.93%
1 st Quarter 2003	4,018	\$290,900	2.9%
Source: N.J. Department of Community Affairs, 5/7/03			